

## ***June 24, 2013 Affordable Housing Task Force Priority and Use of the Affordable Housing Fund***

### **1. Affordable Housing Fund Balance**

- a. \$2.23 million
- b. Anticipated to grow to approximately \$4 million upon payment of approximately \$1.7 million for Santa Barbara Condo project.

### **2. Historical Use of Affordable Housing Fund**

- a. In 2004, the City provided approximately \$1.5 million in funds to help subsidize the construction of the Bayview Landing senior affordable housing project. This development provided a total of 120 units affordable to very low- and low-income senior households.
- b. In 2009, the City granted \$140,000 in funds for the rehabilitation and conservation of 100 senior housing units at Seaview Lutheran Plaza Apartments that had a deteriorating water delivery system. The project consists of 50 extremely low-income and 50 very low-income senior housing units. In exchange for the monetary assistance, the owner agreed to extend the affordability of its units for a total period of 30 years (March 2039).

### **3. Possible Use of Affordable Housing Funds**

The City's Housing in-lieu fees are collected and are deposited into an Affordable Housing Fund account and the funds can be used to construct, rehabilitate, or subsidize affordable housing or assist other governmental entities, private organizations or individuals to provide or preserve affordable housing. The fund may be used for the benefit of both rental and owner-occupied housing. Allowed uses of fund moneys include:

- Assistance to housing development corporations
- Equity participation loans;
- Grants
- Pre-home ownership co-investment
- Predevelopment loan funds
- Participation leases

- Other public-private partnership arrangements
- The acquisition of property and property rights
- Construction of affordable housing including costs associated with planning, administration, and design, as well as actual building or installation
- Costs of rehabilitation and maintenance of existing affordable housing when needed to preserve units that are at risk of going to a market rate or at risk of deterioration
- Other costs associated with the construction or financing of affordable housing
- Reasonable administrative charges or related expenses
- Reasonable consultant and legal expenses related to the establishment and/or administration of the fund

#### **4. Communication with At-Risk Apartments**

##### **a. Newport North Apartments (2 Milano Drive):**

- Tax Exempt Bond Program (City was not a part of this affordability agreement).
- Tax exempt bond obligations set to expire on November 15, 2013.
- 115 affordable units: 29 very low- and 86 low-income.
- Request direction from the Task Force to send a letter to the Irvine Company requesting that they reconsider their intent to convert the affected units to market-rate housing and offer assistance with City's Affordable Housing Fund.

##### **b. Newport Seacrest Apartments (843 15<sup>th</sup> Street)**

- 65 units total: 25 very low- and 45 low-income units.
- Covenant agreement with City expires in 2016.
- Initiated conversations with property owner indicating the City may possibility be interested in providing funds for rehabilitation or

subsidies in exchange for extending covenants for an additional 30 years minimum.

- Project has undergone recent remodeling including a new roof and paint.
- Possible rehabilitation could include windows and related energy efficient improvements, or repair of water damaged to carports.
- Owner will pursue market-rate rents if covenants not extended.

## 5. Existing Affordable Housing Developments in the City

**Table H12 City of Newport Beach Assisted (and Affordable) Housing Summary**

<i>Project Name/ Location</i>	<i>Type of Assistance Received</i>	<i>Earliest Possible Date of Change</i>	<i>Number of Units/Type</i>
Newport Harbor Apartments 1538 Placentia Avenue	Section 8 (rental assistance vouchers) Density Bonus Community Development Block Grant (CDBG)	2020	26 Low-Income
Newport Harbor II Apartments 1530 Placentia Avenue	Section 8 Density Bonus CDBG In-Lieu Fee Funds	2023	10 Low-Income 4 Very Low-Income
Newport Seacrest Apartments 843 15 <sup>th</sup> Street	Section 8 CDBG Fee Waivers Tax Credit Financing	2016	20 Very Low-Income 45 Low-Income
Pacific Heights Apartments 881-887 W. 15 <sup>th</sup> Street	Section 8 Density Bonus	2019	7 Low-Income
Newport Seashore Apartments 849 West 15 <sup>th</sup> Street	Section 8 Fee Waivers	2018	15 Low-Income
Newport Seaside Apartment 1544 Placentia	Section 8 CDBG Fee Waivers	2017	25 Very Low-Income
Seaview Lutheran Plaza (Seniors) 2800 Pacific View Drive	Section 202 (federal grant) Section 8	2039	100 Extremely Low and Very Low-Income Senior
Villa del Este 401 Seaward Road	—	2026	2 Moderate-Income (ownership)
Villa Siena 2101 15 <sup>th</sup> Street	Density Bonus	2021	3 Moderate-Income (ownership)
Bayview Landing (Seniors) 1121 Back Bay Drive	In-lieu Fee Funds Fee Waivers Tax Credit Financing	2056	24 Very Low 95 Low-Income

SOURCE: City of Newport Beach Planning Division